


# Memorandum

To: Eugene Prince, Chairman  
Kathy Kreiter, Member  
Vera Chan-Ing, Member  
Bonnie Boyle, Administrative Director

From: Heidi Whisman *HW*

Date: 6/19/00

Re: Filing of allowances offered to distributors

*Ok. Think this  
is a great proactive  
Customer service  
approach*  


Attached for your information are an informational bulletin and a new form.

- Bulletin No. 00-2 outlines the requirements and procedures for filing with the Board information about allowances offered to beer/wine distributors.
- Supplier Filing of Allowance Details and Conditions, LIQ 783-50, is a new form to be used by breweries and wineries to file with the Board the allowance details as required by statute and regulation.

These have been developed because of a concern that breweries and wineries are unaware of these filing requirements and are therefore not submitting the required information.


Please contact myself or Randy Reynolds if you have any questions.

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PLAINTIFF'S EXHIBIT	
CASE NO.	CV04-0360P
EXHIBIT NO.	168

EXHIBIT NO. 56 Date: 6/2/05  
Deposition Of Heidi Whisman  
CONNIE CHURCH, Court Reporter

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	<p>Manufacturers, Importers and Wholesalers Section PO Box 43093 Olympia WA 98504-3093 www.wa.gov/liq Phone: (360) 664-1637 or (360) 664-1640 Fax: (360) 664-4054</p>	<p>Bulletin No. 00-2  June 19, 2000</p>
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To: All Licensed Breweries, Wineries, Importers and Distributors      Subject: Suppliers Price Filings, Contracts and Memoranda – Allowances

RCW 66.28.180

WAC 314-20-105 (Beer)

WAC 314-24-200 (Wine)

(These regulations are available on the world wide web at [www.access.wa.gov](http://www.access.wa.gov) or by contacting the Non-Retail Compliance Unit at the numbers above.)

#### Requirement

*All licensed suppliers (breweries, wineries, importers and distributors that sell to other distributors) are required to file with the Liquor Control Board (LCB) any and all allowances offered to Washington distributors. Failure to file this information is a violation of the regulations stated above.*

Allowances must be offered uniformly to all distributors. Quantity discounts are prohibited. Allowance programs must comply with title RCW 66.

#### Filing Deadlines and Effective Dates

Same as for supplier price postings: Postmarked (or filed on Internet system) by the 25<sup>th</sup> of any month to be effective the 1<sup>st</sup> day of the second month following the filing. *Revisions* may be filed between the 25<sup>th</sup> and the 1<sup>st</sup>, and if postmarked (or filed on Internet system) by the 1<sup>st</sup> will be effective the 1<sup>st</sup> day of the next month.

#### How Does a Supplier File Allowance Information?

1. Complete the appropriate allowance column(s) on the Internet posting site (or the Beer/Wine Supplier's Price Schedule for those still filing on paper) for each product for which an allowance is offered. Allowances must be refilled for every month in effect. See definitions and examples of common allowances below.
2. Use form LIQ 783-50 (enclosed) to file the written details and conditions of all allowances as presented to Washington distributors, in addition to step one above.

#### What Types of Allowances Must Be filed?

All allowances must be filed with the LCB. The most common types are defined below. The Internet-posting site and paper posting forms have been designed with spaces for these most common types. For any other type of allowance, complete the most appropriate column of the Internet or paper posting form with the maximum allowance available and file the details on form LIQ 783-50. Contact the Manufacturers, Importers Wholesalers Section at one of the numbers above if you have any questions.

*Note: Both filings as described in 1 and 2 above must be submitted to the LCB by the filing deadline.*

#### Definitions of Common Allowances

Allowance Type	Definition
Purchase Allowance	A per case allowance reimbursed or credited to Washington distributors by the supplier for each case of product purchased within the posting period.
Flat Depletion Allowance	A per case allowance reimbursed or credited to Washington distributors by the supplier for each case of product sold to retailers within the posting period.
Percentage Depletion Allowance	Same as the Flat Depletion Allowance, except the amount of the allowance is based on the amount the distributor decreases the selling price to retailers for every case sold within the posting period. A percentage of this decrease is returned to the distributor up to the maximum allowance amount stated. The percentage may vary according to how much the distributor's selling price is decreased.

See examples on reverse side

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**Examples of How to Complete the Internet Posting Screens or Paper Posting Forms**

**Purchase Allowance:** Supplier offers a \$10.00 purchase allowance for every case purchased during the posting period. The details must be included on form LIQ 783-50 and filed with the LCB.

Posting Period	WSLCB Product Code	Purchase Allowance	Flat Depletion Allowance	% Depletion Allowance	
				Maximum Allowance Amount	%
6/1/2000	001357072VV	10.00			

**Flat Depletion Allowance:** Supplier offers a \$5.00 depletion allowance for every case sold during the posting period. The details must be included on form LIQ 783-50 and filed with the LCB.

Posting Period	WSLCB Product Code	Purchase Allowance	Flat Depletion Allowance	% Depletion Allowance	
				Maximum Allowance Amount	%
6/1/2000	001357072VV		5.00		

**Percentage Depletion Allowance:** Supplier suggests that the distributor(s) file a post-off price to retailers that is \$2.00 less than the regular selling price. The supplier will reimburse the distributor(s) 50% of the distributors' reduction in price to the retailers, up to a maximum of \$1.00, for each case sold (depleted) during the posting period. The supplier must indicate the maximum amounts on the posting form as shown below. The details must be included on form LIQ 783-50 and filed with the LCB.

Posting Period	WSLCB Product Code	Purchase Allowance	Flat Depletion Allowance	% Depletion Allowance	
				Maximum Allowance Amount	%
6/1/2000	001357072VV			1.00	50

**Percentage Depletion Allowance with Variable Split Discount:** Supplier suggests that the distributor(s) file a post-off price to retailers that is \$2.00 less than the regular selling price. The supplier will reimburse the distributor(s) 50% of the first dollar of the reduction in price to the retailers up to a maximum allowance of \$.50. The supplier will reimburse the distributor(s) 70% of the second dollar of the reduction in price to the retailers up to a maximum allowance of \$.70. Distributors that post-off \$2.00 from their regular selling price will be reimbursed a total of \$1.20 for each case sold during the posting period. The supplier must indicate the maximum amounts on the posting form as shown below. The details must be included on form LIQ 783-50 and filed with the LCB.

Posting Period	WSLCB Product Code	Purchase Allowance	Flat Depletion Allowance	% Depletion Allowance	
				Maximum Allowance Amount	%
6/1/2000	001357072VV			1.20	70



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Section  
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Olympia WA 98504-3093  
www.wa.gov/liq  
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Fax: (360) 664-4054

### Supplier Filing of Allowance Details and Conditions

*Note: This allowance information must also be filed on the Internet posting system (or the Beer/Wine Supplier's Price Schedule for those still filing on paper). See Bulletin No. 00-2 for further instructions.*

Licensee: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, State, \_\_\_\_\_  
Zip: \_\_\_\_\_  
WSLCB \_\_\_\_\_  
License No.: \_\_\_\_\_

Contact Person: \_\_\_\_\_  
Phone No.: \_\_\_\_\_  
Date: \_\_\_\_\_  
Posting \_\_\_\_\_  
Period: (mo/yr) \_\_\_\_\_  
(Allowances must be refilled for every month in effect)

<b>This allowance was presented to distributors as:</b> (check one)	
<input type="checkbox"/> A written agreement.	A copy of the written documentation must be submitted with this form.
<input type="checkbox"/> An oral agreement.	All information must be included on this form.

<b>Type of Allowance:</b>	(check one, definitions on reverse) <input type="checkbox"/> Purchase Allowance <input type="checkbox"/> Flat Depletion Allowance <input type="checkbox"/> Percentage Depletion Allowance <input type="checkbox"/> Other _____
<b>Summary of Details:</b> (attach additional page if necessary)	
<b>Summary of Conditions:</b> (attach additional page if necessary)	

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LIQ 783-50-6.00

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If the items on which the allowance is offered are identified in attached, written documentation, check here ☐; Otherwise, list below the WSLCB Product Code for each item on which the above allowance is offered. Attach additional page(s) if necessary.


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